

Message Text

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ACTION AGRE-00

INFO OCT-01 EUR-12 ISO-00 SS-15 SP-02 NSC-05 EB-07 PRS-01

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P R 211205Z OCT 76

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 7222

INFO AMEMBASSY VIENNA

C O N F I D E N T I A L SECTION 1 OF 2 BUDAPEST 3637

DEPT PLEASE PASS DEPT OF AGRICULTURE
VIENNA FOR AGATT

E.O. 11652: GDS

TAGS: OVIP (ROMANY, PAL), HU, EAGR

SUBJ: VISIT OF HUNGARIAN MINISTER OF AGRICULTURE TO U.S.

1. FOLLOWING RE ROMANY'S TEN-DAY VISIT TO U.S. (SEPT 26- OCT 5)
HAS BEEN GARNERED FROM BRIEF CONVERSATION BETWEEN ROMANY HIMSELF
AND CHARGE AT AIRPORT ON OCCASION OF HIS ARRIVAL, TALKS WITH
MEMBERS OF ROMANY PARTY AND DEPUTY MINISTER HAMMER, AND FROM
ACCOUNT OF VISIT RENDERED BY AGATT THUROCZY WHO SERVED AS
ESCORT OFFICER DURING VISIT.

2. MINISTER ROMANY'S OFFICIAL U.S. TRIP BEGAN IN WASHINGTON
SEPT 27 WITH MEETING IN DEPARTMENT OF AGRICULTURE AND LUNCH
HOSTED BY SECRETARY BUTZ. PARTY LEFT NEXT DAY FOR DENVER,
COLORADO, AND MIDWEST.

3. ROMANY IMPRESSED WITH OPERATION CERES LAND AND CATTLE
COMPANY IN STERLING, COLORADO, WHICH INCLUDED IRRIGATION,
CATTLE RAISING, SLAUGHTERING, AS WELL AS OPERATION OF
ANIMAL WASTE RECYCLING FOR PROTEIN FEED. HE ALSO MET
PRIVATELY WITH FORMER SCHOOLMATE (NOW RESIDING IN U.S.)
WHO BROUGHT PROPOSAL FOR JOINT VENTURE TO RAISE 100,000
HEAD CATTLE IN HUNGARY FOR WESTERN MARKETS.

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4. AT MOLINE, ILLIONIS, PARTY WAS GUEST OF DEERE & CO.

MANUFACTURER OF AGRICULTURAL MACHYNERY. ROMANY SAID HUNGARY NEEDED SMALL TRACTORS AND TRAILERS AND OFFERED PAYMENT IN TUNGSRAM LIGHT BULBS MANUFACTURED IN HUNGARY. ALSO DISCUSSED POSSIBILITY OF JOINT VENTURE IN PRODUCING AGRICULTURAL MACHINERY FOR THIRD MARKETS. IN THIS CONTEXT HUNGARY ALSO INTERESTED IN ESTABLISHING TRAINING CENTER (IN HUNGARY) TO UTILIZE PRODUCTS OF JOINT VENTURE FOR SALES TO THIRD MARKETS. DEERE & CO. SHOWED INTEREST IN THESE IDEAS.

5. IN MADISON, WISCONSIN, ROMANY MET STATE SECRETARY N OF AGRICULTURE GARY ROHDE. A FILM SHOWING WISCONSIN AGRICULTURE AND ITS RURAL LIFE MADE GOOD IMPRESSION. COPY OF FILM WILL BE FORWARDED AGATT FOR TRANSHVTAL TO ROMANY VIA FAS WASHINGTON.

6. DURING MEETING WITH DEC (DAIRY EQUIPMENT COMPANY) INTERNATIONAL IN MADISON ROMANY DISCLOSED HUNGARY'S INTEREST IN LARGE DAIRY MILKING SYSTEMS (OVER 1,000 HEAD) AND IN SPRAY DRYING FOR PAPRIKA BOTH PRODUCED BY DEC. MINISTER WAS ALBE TO SEE PART OF LARGE DAIRY MILKING SYSTEM AT WORLD DAIRY EXPO IN MADISON LATER IN DAY.

7. ROMANY ALSO SAW WORLD PJQMIER HOLSTEIN SALE AT WORLD DAIRY EXPO. AT AUCTION HE REMARKED HE WISHED SOME HUNGARIANS CRITICIZPGG HIS MINISTY FOR SPENDING TO RMQQH FOR BREEDING CATTLE WERE THERE. VISITORS WERE SHOCKED TO SEE SOME HOLSTEIN CALVES SOLD FOR \$5000-\$6000, WHEREAS HUNGARY PAID ONLY AROUND \$1400 FOR U.S. HEIFERS.

8. MINISTER ALSO TOOK A WALK ON UNIVERSITY CAMPUS IN MADISON BUT DISAPPOINTED NO ARRANGEMENTS WERE MADE TO MEET UNIVERSITY OFFICIALS AND STUDENTS. HE OBVIOUSLY WOULD HAVE LIKED TO HAVE HAD SAME KIND OF TREATMENT AT UNIVERSITY OF WISCONSIN THAT SECRETARY BUTZ HAD AT GODOLLO.

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9. TRIP TO DES MOINES AND GARST FARM WERE LESS INTERESTING AND TIRESOME (SEE COMMENTS).

10. STOP IN CHICAGO WAS MOST INTERESTING BUT ALSO MMST DISAPPOINTING. MEETING WITH CPS'S (CORN PRODUCTION SYSTEM) TOM KISS AND HIS GROUP WAS A FAVORABLE DEVELOPMENT. IT REVEALED TWO COOPERATIVE PROJECTS NOW UNDER DISCUSSION WITH HUNGARY. BOTH INVOLVE MACHINERY AND CHEMICALS FOR

AGRICULTURE. FURTHERMORE, LEASING OF U.S. SYSTEMS OF EQUIPMENT FOR VEGETABLE PRODUCTION IN HUNGARY WAS ALSO DISCUSSED. BURGERT OF BABOLNA STATE FARM (WHO WAS IN CMEQ VQO) PLEADED WITH ROMANY TO LET BABOLNA CARRY THIS PROGRAM THROUGH RATHER THAN OTHER STATE FARMS. LEASING MACHINERY MAY BE MORE ATTRACTIVE TO HARD CURRENCY-POOR COUNTRIES, BECAUSE IT AVOIDS INITIAL OUTLAYS OF LARGE SUMS.

11. MINISTER WAS PLEASED WITH PROGRAM ARRANGED BY HOLSTEIN FRIESIAN ASSOCIATION AND HAD CHANCE TO VISIT A DAIRY FARM AND CURTIS BREEDING STATION (ARTIFICIAL INSEMINATION) NEAR CHICAGO WITH 300 BULLS. GROUP VERY IMPRESSED WITH QUALITY AND HAD SEVERAL QUESTIONS ON OPERATION OF STATION.

12. CANCELLATION OF VISIT TO BLUEBIRD MEAT PROCESSING PLANT IN CHICAGO WAS MOST DISAPPOINTING. HUNGARIANS WERE ESPECIALLY INTERESTED IN SEEING PLAN DEVELOPED BY EPSTEIN OF CHICAGO. THEY HAVE BEEN NEGOTIATING WITH EPSTEIN FOR CONSTRUCTION OF NEW MEAT PROCESSING PLANT IN WESTERN HUNGARY. FOR JUDGING QUALITY EPSTEIN PLANNING, HUNGARIAN DELEGATION HAD INCLUDED DIRECTOR OF LARGE MEAT COMBINE IN HUNGARY. EPSTEIN, HOWEVER, WAS NOT ABLE TO SHOW ANY OTHER MEAT PROCESSING PLANT DEVELOPED BY THEM. A SUBSTITUTE SARA LEE BAKERY WAS OF NO INTEREST TO HUNGARIANS. ROMANY CANCELED BOTH VISIT TO SARA LEE PLANT AND DINNER TO BE HOSTED BY EPSTEIN.

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13. COMMENT: ROMANY, IN GENERAL, IMPRESSED WITH TRIP AND APPRECIATED USDA EFFORTS TO ACCOMMODATE HUNGARIAN WISHES AND INTERESTS. HOWEVER, THERE WERE SEVERAL DISAPPOINTMENTS WHICH DETRACTED FROM WHAT WAS OTHERWISE SUCCESSFUL VISIT. ROMANY TOLD AGATT THAT THOSE PORTIONS OF PROGRAM WHICH WERE CARRIED OUT WERE "EXCELLENT, BUT---".

14. MINISTER COULD NOT UNDERSTAND WHY HIGHEST RANKING AGRICULTURAL OFFICIAL DID NOT MEET HIM IN EACH STATE VISITED (EXCEPT WISCONSIN). IN HUNGARY SUCH TREATMENT OF VISITING FOREIGN DIGNITARIES IS CUSTOMARY. AGATT SUGGESTED SOME BUSINESS LEADERS MINISTER MET WERE MORE IMPORTANT THAN STATE AGRICULTURAL OFFICIALS BUT THIS LAPSE IN PROTOCOL SEEMED TO RANKLE.

ROMANY DISAPPOINTED ITINERARY DID NOT INCLUDE VISIT TO VEGETABLE FARM. HE SAID HUNGARY TRYING DESPERATELY TO INCREASE VEGETABLE PRODUCTION AND WAS LOOKING FORWARD TO LEARNING HOW TO INCREASE HUNGARIAN VEGETABLE PRODUCTION (BUDAPEST A-86). HOWEVER, NEITHER PROGRAM ORGANIZERS NOR HUNGARIAN AGATT APPEARED TO BE AWARE OF THIS INTEREST.

16. MINISTER ALSO DISAPPOINTED CANCELLATION VISIT TO BLUEBIRD MEAT PROCESSING PLANT IN CHICAGO (PARA 12). ROMANY AND HUNGARIAN AGATT WERE BELIEVED VISIT CANCELED BECAUSE BLUEBIRD CONSIDERED HUNGARIAN COMPETITORS.
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AGATT, IN ATTEMPT OFFSET THIS VIEW, CITED SHORTENED PROGRAM (TWO DAYS) WITH SHIFTING DATES AND YOM KIPPUR HOLIDAY FOR REASONS CANCELLATION VISIT TO BLUEBIRD PLANT.

17. ROMANY ALSO WONDERED WHY U.S. ALWAYS SHOWS GARST FARM TO VISITORS FROM EE. HE JOKINGLY REMARKED WESTERN VISITORS TO HUNGARY BELIEVE BABOLNA AND AGARD STATE FARMS SHOWN TO THEM BECAUSE MANAGEMENT IS POLITICALLY TRUSTED. HE WONDERED ALSO WHETHER GARST FARM WAS TYPICAL OF U.S. FARMS.

18. TRIP WAS VERY CROWDED AND TIRING. A VISIT ORIGINALLY PLANNED TO COLORADO NATIONAL PARK WOULD HAVE BEEN WELCOME AND COULD HAVE OFFSET DISAPPOINTMENTS EXPERIENCED BY GROUP. GROUP HAD LITTLE TIME TO REST OR BROWSE IN SHOPS INCLUDING SUPERMARKETS WHICH THEY WERE ALL EAGER TO SEE. TIGHT SCHEDULE ALLOWED AGATT TO ARRANGE FOR ONLY HALF-HOUR VISIT TO SUPERMARKETS DURING OFFICIAL

TRIP.

19. DESPITE FACT THAT IT IS OBVIOUS THAT ROMANY WAS DISAPPOINTED BY CANCELLATION OF VISIT TO BLUEBIRD MEAT PROCESSING PLANT IN CHICAGO, BY FAILURE TO INCLUDE VISIT TO VEGETABLE FARM, BY HEAVY SCHEDULE WHICH LEFT NO TIME FOR BROWSING, AND BY FAILURE TO EXTEND CERTAIN PROTOCOL COURTESIES (E.G. NO STATE SECRETARIES OF AGRICULTURE GREETED HIM EXCEPT IN MADISON, WISCONSIN), WE HAVE IMPRESSION THAT ROMANY REGARDS VISIT TO U.S. AS USEFUL. DEPUTY AGMINISTER HAMMER TOLD CHARGE THAT ROMANY'S OVERALL EVALUATION OF TRIP WAS POSITIVE AND THAT HE SO REPORTED TO CABINET DAY AFTER HIS RETURN. HIS ATTITUDE, ACCORDING TO HAMMER, IS "WHAT CAN WE DO TO GO ON FROM HERE".

20. ROMANY'S MEETING WITH BUTZ AND LUNCHEON SEEM TO HAVE GONE WELL AS DID HUNGARIAN-AMERICAN ECONOMIC COUNCIL RECEPTION AND DINNER AT WHICH SECRETARY BUTZ SPOKE. GIVEN ROMANY'S EXCELLENT RAPPORT WITH BUTZ IT IS NOT STRETCHING TRUTH TO SAY HE WAS UPSET BY SECRETARY'S RESIGNATION AND THIS TO SOME EXTENT PROBABLY PUT A CONFIDENTIAL

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DEPRESSING LID ON TRIP.

21. AFTER ALLOWING SOME TIME FOR ROMANY TO SETTLE DOWN ONCE MORE TO ROUTINE AT HOME, CHARGE REQUESTED APPOINTMENT FOR NEXT WEEK IN ORDER TO HEAR FROM ROMANY HIMSELF IN CEREATER DETAIL HIS EVALUATION OF VISIT. CHARGE WILL SEIZE OPPORTUNITY TO PROBE GOH INTENTIONS RE VETERINARY AGREEMENT, AGREEMENT ON AGRICULTURAL COOPERATION, AND 4-H EXCHANGE, AND IN GENERAL TO SEE WHAT ROMANY HAS IN MIND FOR IMMEDIATE FUTURE. HE WILL ALSO TAKE OPPORTUNITY TO INVITE MINISTER, MEMBERS OF HIS PARTY AND THEIR WIVES TO DINNER EARLY IN NOVEMBER.

22. ACTION REQUESTED: WOULD APPRECIATE DEPARTMENT'S REACTION TO FOREGOING AS WELL AS INFORMATION RE STATUS VARIOUS PROJECTS AND PROPOSALS FOR COOPERATION THAT CAN BE SUPPLIED PRIOR TO CHARGE'S CALL ROMANY SOMETIME NEXT WEEK.

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